

**STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

DE 16-576

**Development of New Alternative Net Metering Tariffs and/or
Other Regulatory Mechanisms and Tariffs for Customer-Generators**

**Order Addressing Voluntary Tariff-Switching
by Net-Metered Customer-Generators**

ORDER NO. 26,055

September 18, 2017

In this Order, the Commission determines that net-metered customer-generators that are “grandfathered” under the original standard net metering tariff may voluntarily switch to the current alternative net metering tariff but may not return to the original tariff terms once they have switched. Those customer-generators that switch to the current alternative net metering tariff will then be grandfathered under the terms of the current net metering tariff through December 31, 2040. We defer any decision on the ability of net-metered customers to switch from the current net metering tariff to any modified or replacement tariff or other regulatory mechanism that may be adopted or approved in the future.

I. PROCEDURAL HISTORY

In Order No. 26,029, issued in this docket on June 23, 2017 (June 23rd Order), the Commission approved the adoption of a new net metering tariff. That tariff was designed to be in effect for a period of years while additional data is collected and analyzed, pilot programs are implemented, and a distributed energy resource valuation study is conducted. Renewable energy distributed generation (DG) systems that are installed or receive a net metering program capacity allocation during that period of years will have their net metering rate structure grandfathered until December 31, 2040.

In the June 23rd Order, we identified two specific issues regarding implementation of the grandfathering provisions that were not addressed by any of the parties prior to or during the hearings in this proceeding. We provided an opportunity for parties to address those two grandfathering implementation issues in writing. June 23rd Order at 51. Comments were submitted by several parties, including a coalition consisting of members of the “Energy Future Coalition”¹ together with the City of Lebanon (collectively, the Joint Commenters). On page six of their comments, the Joint Commenters included a recommendation that the Commission:

specify that grandfathered customers shall have the option of voluntarily moving to another tariff or program in the future, as options such as time-of-use pricing may be made available through future proceedings. We also strongly urge the Commission to include flexibility in this specification that allows new technology offerings, such as energy storage, to become available and widely implemented.

The Commission issued a Secretarial Letter on August 7, 2017, providing other parties an opportunity to submit written comments regarding the voluntary tariff-switching issue by August 25, 2017. Comments were submitted only by Public Service Company of New Hampshire d/b/a Eversource Energy (Eversource).

On August 18, 2017, the Commission issued Order No. 26,047 (the August 18th Order), which addressed the two specific grandfathering issues identified in the June 23rd Order. In that order, the Commission “decline[d] to issue the direction requested by the Joint Commenters with respect to [voluntary net metering] tariff or program switching,” finding that “the recommendation is not properly before us at this time.” August 18th Order at 16.

¹ These parties include: Acadia Center, The Alliance for Solar Choice, Borrego Solar, Conservation Law Foundation, Energy Freedom Coalition of America, LLC, New Hampshire Sustainable Energy Association, ReVision Energy, Granite State Hydropower Association, Sunraise Investments LLC, Solar Endeavors LLC, and Revolution Energy, LLC.

The June 23rd and August 18th Orders, the parties' written comments, and other filings and documents related to this matter, can be found at

<http://puc.nh.gov/Regulatory/Docketbk/2016/16-576.html>.

II. POSITIONS OF THE PARTIES

The position of the Joint Commenters is detailed above.

Eversource stated its general support for the future voluntary movement of grandfathered customer-generators to a new net metering tariff. Eversource Comments at 2. Eversource asserted that, as new tariffs or programs become available, "absent some strong countervailing interest that may exist at that time, a grandfathered net metered customer should be permitted to choose to enroll him or herself in the new tariff." *Id.* According to Eversource, net-metered customers "should not arbitrarily be restricted to the existing tariff if they perceive that some advantage may be had from moving to a new one." *Id.*

Eversource included one "caveat" to its position, maintaining that "[a]ny voluntary movement of a grandfathered customer to a new rate structure should be a 'one way' move." *Id.* According to Eversource, if a customer elects to relinquish grandfathered status to take advantage of some new rate structure, the customer "should not later be permitted to regain the treatment of a grandfathered customer should he or she not wish to remain on the new tariff or rate." *Id.* In support of that proposed restriction, Eversource cited the state electric restructuring principle that "customers should be responsible for the consequences of their choices in electricity products and services," and argued that "the choice to forego remaining as a grandfathered net metering customer should be no different." *Id.* (citing RSA 374-F:3, II). Eversource also noted the potential "administrative burden" associated with attempting to track customers that had moved in and out of grandfathered status. *Id.*

Eversource clarified its position that grandfathered customers who voluntarily switch to a new tariff should not be required to remain on that tariff indefinitely, regardless of further developments in rates or technologies; rather, those customers should only be restricted from regaining the grandfathered status under the prior tariff that they had relinquished. *Id.* at 2-3. Eversource also asserted that, going forward, the Commission “will need to ensure that there is clarity regarding which customers are eligible for any new rate structures as they are developed and implemented.” *Id.* at 3.

III. COMMISSION ANALYSIS

In the June 23rd Order, the Commission identified two specific questions regarding the grandfathering of net-metered DG systems when new alternative net metering tariffs are implemented, and solicited comments regarding those questions. In response to the two specific questions, the Joint Commenters raised another issue – the ability of net-metered customers to voluntarily switch from their current to a new net metering tariff – that is relevant but not directly related to those questions. We declined to substantively address that issue in the August 18th Order, due to the limited record before us at that time. We have now reviewed the parties’ comments relevant to the voluntary tariff-switching issue and will address that issue at this time.

We find that net-metered customer-generators should be able to voluntarily switch from their grandfathered status under the original net metering tariff to the new net metering tariff approved in the June 23rd Order, but they should not be permitted to return to that original grandfathered status once they have switched. There is no reason for a customer to be prohibited from moving from the old to the new net metering tariff, if the customer concludes that change would be advantageous. Effectively, the tariff-switching opportunity is a one-time, one-way

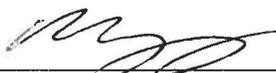
option for the customer. We further clarify that a customer voluntarily switching to the new alternative net metering tariff will be grandfathered under that tariff through December 31, 2040, pursuant to the relevant provisions of the June 23rd and August 18th Orders.

We will defer a decision on the ability of net-metered customers to switch from their grandfathered status under the new alternative net metering tariff to any modified or replacement tariff or other regulatory mechanism that may be adopted or approved in the future. That issue will be addressed in conjunction with the adoption of transition and grandfathering provisions when the Commission approves such a modified or replacement tariff or other regulatory mechanism. At that time, the Commission will evaluate the potential effects of transition procedures and timing, grandfathering periods, and voluntary tariff-switching options, within the context of the record developed in the future proceeding.

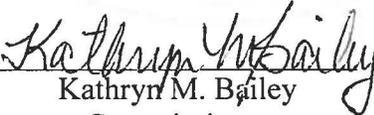
Based upon the foregoing, it is hereby

ORDERED, that the ability of net-metered customer-generators to switch from the original net metering tariff to the current net metering tariff adopted and approved in the June 23rd Order is clarified and confirmed as set forth in the body of this Order.

By order of the Public Utilities Commission of New Hampshire this eighteenth day of September, 2017.



Martin P. Honigberg
Chairman

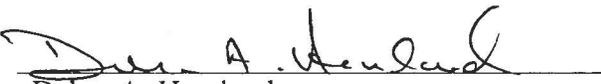


Kathryn M. Bailey
Commissioner



Michael S. Giaimo
Commissioner

Attested by:



Debra A. Howland
Executive Director